

The Medicare Prescription Drug Benefit

In 2006, Medicare prescription drug coverage will be available to all people with Medicare Part A and/or Part B. Like other insurance, if you join, you will pay a monthly premium, plus a share of the cost of your prescriptions.

You may join the prescription drug benefit by: (1) having original Medicare and applying for an approved prescription drug plan, or (2) joining a Medicare Advantage Plan that offers the prescription drug coverage.

The Medicare prescription drug coverage pays for brand name and generic drugs. While individual drug plans may vary, all plans must provide a standard level of coverage. The table below details the standard coverage for the Medicare prescription drug plans.

Drug costs....	Medicare pays....	You pay....	Your total costs....
\$0-\$250	\$0	\$250	\$250
\$250 - \$2,250	\$1,500	\$500	\$750
\$2,250 - \$5,100	\$0	\$2,850	\$3,600
Over \$5,100	95%	5% or \$2/generic and \$5/brand name	\$3,600 plus 5% or co-pays

There is extra help for those who need it most (see inside). If you have limited income and resources, you may be able to get extra help. If you qualify, you will get help paying the monthly premium for your drug plan and/or some of the other costs for your prescriptions.

It is important that you join a Medicare prescription drug plan when you are first eligible. Joining when you are first eligible means that you will pay a lower monthly premium. After May 15, 2006, your premium will increase 1% for each month you delay enrollment.

SHIIP

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The information provided here is not intended to be an advertisement for, or an endorsement of, any firm, individual, or products. For more information on any of the options discussed in this brochure, contact SHIIP.

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Medicare Prescription Drug Benefit



Drug coverage that helps you pay for the prescriptions you need

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How will you benefit?

Additional Assistance for Those with Limited Income

If you are....

- single with monthly income less than \$798, and assets less than \$4,000,
or
- a couple with monthly income less than \$1,070, and assets less than \$6,000;

Your prescription costs will be transferred from Medicaid to Medicare, effective January 1, 2006. Enrollment will be automatic.

Look for letters from the Centers for Medicare & Medicaid Services (CMS) explaining the changes and informing you of the plan to which you've been enrolled.

If a plan, other than the one in which you were auto-enrolled, provides better coverage for your prescription needs, you will be able to switch plans from November 15, 2005 until December 31, 2005.

Important Dates to Remember

October 15, 2005

- Approved drug plans announced
- Drug plan carriers begin marketing

November 15, 2005

- Open enrollment for Medicare prescription drug coverage begins

January 1, 2006

- Prescription drug coverage begins

May 15, 2006

- Open enrollment ends

If you are....

- single with monthly income less than \$1,077, and assets less than \$6,000,
or
- a couple with monthly income less than \$1,445, and assets less than \$9,000;

You will be automatically enrolled in a program that helps pay the costs associated with Medicare prescription drug coverage.



You can pick coverage that is right for you by choosing between the Medicare prescription drug plans being offered in your area.

You must send a completed application to the provider you choose between November 15, 2005 and May 15, 2006. If you do not choose a plan during this period, one will be selected for you, effective June 1, 2006.

If you are....

- single with monthly income less than \$1,197, assets less than \$10,000, burial funds up to \$1,500 and receiving no help with prescription drugs,
or
- a couple with monthly income less than \$1,605, assets less than \$20,000, burial funds up to \$1,500 and receiving no help with prescription drugs;

You must complete a subsidy application with the Social Security Administration (SSA). Look for a letter and application from SSA, or go to your local SSA office. You will be notified by mail of your eligibility.

Between November 15, 2005 and May 15, 2006, choose the plan you prefer, complete the application, and send it to the provider.

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Everyone With Medicare Must Make a Decision

You must decide if Medicare's prescription drug coverage is right for you. The Nebraska Senior Health Insurance Information Program (SHIIP) educates Medicare beneficiaries, assisting seniors and those with disabilities in making informed decisions on topics related to health insurance.

Trained counselors are available to provide support during your decision-making process. To learn more about the Medicare prescription drug benefit, contact the Nebraska SHIIP at 1-800-234-7119.

You May Need to Know



- Medicare prescription drug plans are different from the Medicare-approved drug discount cards that were available in 2004 and 2005. You can use your Medicare-approved drug discount card until May 15, 2006, or until you join a Medicare prescription drug plan.
- If you have a Medigap policy with drug coverage, you will be notified by your insurance company whether your policy is as good as or better than Medicare prescription drug coverage.
- If you have prescription drug coverage from an employer or union, you will be notified whether your current drug coverage is as good as or better than Medicare prescription drug coverage. If it is, you can keep your current drug coverage, and if you decide to join a Medicare prescription drug plan later, your monthly premium won't be higher.
- If you are in a nursing home, you may get your prescription drugs from a long-term care pharmacy that contracts with a Medicare prescription drug plan.
- Your Medicare prescription drug plan must notify you 60 days before taking one of your prescriptions off its list of covered drugs.